

EXHIBIT 9

MONTHLY REPORT
TO THE GOVERNING BOARD
JUNE 2018

PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JUNE		Increase (Decrease) %
	2017-18	2016-17	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,119,004	1,069,476	4.6
PREPA - Hydro	2,575	5,207	(50.5)
Purchased power - gas	285,679	284,950	0.3
Purchased power - coal	152,046	326,647	(53.5)
Renewable Energy	20,264	44,673	(54.6)
Total	1,579,568	1,730,953	(8.7)
Fiscal year-to-date:			
PREPA - Steam and gas	10,348,836	12,944,664	(20.1)
PREPA - Hydro	36,165	87,223	(58.5)
Purchased power - gas	2,582,187	3,336,863	(22.6)
Purchased power - coal	1,547,498	3,451,580	(55.2)
Renewable Energy	142,307	379,555	(62.5)
Total	14,656,993	20,199,885	(27.4)
Twelve months:			
PREPA - Steam and gas	10,348,836	12,944,664	(20.1)
PREPA - Hydro	36,165	87,223	(58.5)
Purchased power - gas	2,582,187	3,336,863	(22.6)
Purchased power - coal	1,547,498	3,451,580	(55.2)
Renewable Energy	142,307	379,555	(62.5)
Total	14,656,993	20,199,885	(27.4)
2. Maximum hourly peak load (in MW)			
Month	n/a ¹	3,087	(100.0)
Fiscal year-to-date	3,087	3,087	0.0
Twelve months	3,087	3,087	0.0
3. Sales (kWh in thousands)			
Month:			
Billed	1,279,693	1,485,486	(13.9)
Days billed	30.0	30.0	
Fiscal year-to-date:			
Billed	12,711,747	17,075,787	(25.6)
Days billed	365.0	365.0	
Twelve months:			
Billed	12,711,747	17,075,787	(25.6)
Days billed	365.0	365.0	0.0
4. System efficiency (%)			
Month	81.0	86.1	(5.9)
Fiscal year-to-date	86.7	84.1	3.1
Twelve months	86.7	84.1	3.1
5. Average cost per barrel (\$)			
Month	74.85	60.35	24.0
Fiscal year-to-date	69.40	57.62	20.4
Twelve months	69.40	57.62	20.4
6. kWh/Barrel			
Month	636.52	615.35	3.4
Fiscal year-to-date	598.51	614.39	(2.6)
Twelve months	598.51	614.39	(2.6)
7. Heat rate (BTU/kWh)			
Month	10,711	10,513	1.9
Fiscal year-to-date	11,236	10,686	5.1
Twelve months	11,236	10,686	5.1

¹ Report prepared by Generation Directorate, unavailable for month.

JUNE

8. Fuel consumption (in thousands)	2017-18		2016-17		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	751	57,140	671	37,797	11.9	51.2
Gas	456	44,494	562	40,212	(18.9)	10.6
Natural Gas	551	29,950	505	26,907	9.1	11.3
Total	<u>1,758</u>	<u>131,584</u>	<u>1,738</u>	<u>104,916</u>	1.2	25.4
Fiscal year-to-date:						
Steam	7,288	472,822	10,353	566,268	(29.6)	(16.5)
Gas	5,947	512,185	5,358	382,566	11.0	33.9
Natural Gas	4,056	214,953	5,358	265,059	(24.3)	(18.9)
Total	<u>17,291</u>	<u>1,199,960</u>	<u>21,069</u>	<u>1,213,893</u>	(17.9)	(1.1)
Twelve months:						
Steam	7,288	472,822	10,353	566,268	(29.6)	(16.5)
Gas	5,947	512,185	5,358	382,566	11.0	33.9
Natural Gas	4,056	214,953	5,358	265,059	(24.3)	(18.9)
Total	<u>17,291</u>	<u>1,199,960</u>	<u>21,069</u>	<u>1,213,893</u>	(17.9)	(1.1)

JUNE

	2018		2017		Increase (Decrease) %	
B. Client Service¹						
1. Service complaints per thousand clients	n/a		2.18		2	
2. Disconnections for nonpayment per thousand clients	n/a		7.03		2	
C. Distribution System²						
1. Interruption frequency index						
Total interruptions per thousand clients served	n/a		0.484		2	
2. Interruption duration index						
Average interruption time per clients served (minutes)	n/a		91.23		2	
3. Clients per interruption	n/a		244		2	
4. Time per interruption (minutes)	n/a		422		2	

¹ Report provided by Customer Service Directorates, unavailable for month.

² 100% or Over.

³ Report provided by Transmission & Distribution Directorate, unavailable for month.

PUERTO RICO ELECTRIC POWER AUTHORITY

D. Personnel

		JUNE		Increase (Decrease)
		2018	2017	
Management	Reg.	1,670	1,786	(116)
Conf. / Carr.	Temp.	6	26	(20)
U.T.I.E.R.	Reg.	3,257	3,501	(244)
	Temp.	13	13	0
	Emerg.	258		258
U.I.T.I.C.E.	Reg.	574	603	(29)
	Temp.			
U.E.P.I.	Reg.	263	301	(38)
	Temp.			
U.P.A.E.E.	Reg.	5	4	1
	Temp.	0	1	(1)
Total		<u><u>6,046</u></u>	<u><u>6,235</u></u>	<u><u>(189)</u></u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

1. Sales of electric energy per classes
(including unbilled adjustment)
(in thousands)

	JUNE			Fiscal Year-to-Date	
	Month		Increase (Decrease) %	Fiscal Year-to-Date	
	2018	2017		2017-18	2016-17
kWh sales:					
Residential	502,707	593,015	(15.2)	4,764,445	6,392,324
Commercial	571,025	680,505	(16.1)	6,427,569	8,036,683
Industrial	208,432	184,901	12.7	1,745,714	2,187,519
Others	20,344	32,662	(37.7)	363,885	379,312
Total	<u>1,302,508</u>	<u>1,491,083</u>	(12.6)	<u>13,301,613</u>	<u>16,995,838</u>
Basic revenues:					
Residential	26,983	32,650	(17.4)	261,968	354,455
Commercial	36,555	45,903	(20.4)	480,804	537,196
Industrial	10,457	8,810	18.7	91,628	102,157
Others	4,346	5,344	(18.7)	62,811	62,216
Total	<u>78,341</u>	<u>92,707</u>	(15.5)	<u>897,211</u>	<u>1,056,024</u>
Provisional rate:					
Residential	5,989	7,176	(16.5)	55,569	72,510
Commercial	7,471	8,929	(16.3)	80,221	95,806
Industrial	2,558	2,463	3.9	21,883	25,960
Others	315	415	(24.1)	4,667	4,524
Total	<u>16,333</u>	<u>18,983</u>	(14.0)	<u>162,340</u>	<u>198,800</u>
Fuel adjustment:					
Residential	51,995	47,464	9.5	511,927	521,008
Commercial	57,084	53,909	5.9	621,718	652,407
Industrial	18,835	13,556	38.9	163,476	163,651
Others	2,124	2,666	(20.3)	37,815	31,737
Total	<u>130,038</u>	<u>117,595</u>	10.6	<u>1,334,936</u>	<u>1,368,803</u>
Purchased power:					
Residential	21,681	29,051	(25.4)	242,210	307,349
Commercial	24,160	32,497	(25.7)	292,317	386,483
Industrial	8,240	8,296	(0.7)	74,682	97,258
Others	803	1,402	(42.7)	17,450	19,113
Total	<u>54,884</u>	<u>71,246</u>	(23.0)	<u>626,659</u>	<u>810,203</u>
Total revenues:					
Residential	106,648	116,341	(8.3)	1,071,674	1,255,322
Commercial	125,270	141,238	(11.3)	1,475,060	1,671,892
Industrial	40,090	33,125	21.0	351,669	389,026
Others	7,588	9,827	(22.8)	122,743	117,590
Total	<u>\$ 279,596</u>	<u>\$ 300,531</u>	(7.0)	<u>\$ 3,021,146</u>	<u>\$ 3,433,830</u>

	JUNE					
	Month			Fiscal Year-to-Date		
	2018	2017	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.37	5.51	(2.5)	5.50	5.55	(0.9)
Commercial	6.40	6.75	(5.2)	7.48	6.68	12.0
Industrial	5.02	4.76	5.5	5.25	4.67	12.4
Others	21.36	16.36	30.6	17.26	16.40	5.2
Total	6.01	6.22	(3.4)	6.75	6.21	8.7
Provisional rate:						
Residential	1.19	1.21	(1.7)	1.17	1.13	3.5
Commercial	1.31	1.31	0.0	1.25	1.19	5.0
Industrial	1.23	1.33	(7.5)	1.25	1.19	5.0
Others	1.55	1.27	22.0	1.28	1.19	7.6
Total	1.25	1.27	(1.6)	1.22	1.17	4.3
Fuel adjustment:						
Residential	10.34	8.00	29.3	10.74	8.15	31.8
Commercial	10.00	7.91	26.4	9.67	8.12	19.1
Industrial	9.03	7.33	23.2	9.36	7.47	25.3
Others	10.44	8.17	27.8	10.39	8.37	24.1
Total	9.98	7.89	26.5	10.02	8.05	24.5
Purchased power:						
Residential	4.31	4.90	(12.0)	5.08	4.81	5.6
Commercial	4.23	4.78	(11.5)	4.55	4.81	(5.4)
Industrial	3.95	4.49	(12.0)	4.28	4.45	(3.8)
Others	3.95	4.29	(7.9)	4.80	5.04	(4.8)
Total	4.21	4.78	(11.9)	4.71	4.77	(1.3)
Total revenues:						
Residential	21.21	19.62	8.1	22.49	19.64	14.5
Commercial	21.94	20.75	5.7	22.95	20.80	10.3
Industrial	19.23	17.91	7.4	20.14	17.78	13.3
Others	37.30	30.09	24.0	33.73	31.00	8.8
Total	21.46	20.16	6.4	22.71	20.20	12.4
3. Clients:						
Residential	1,339,841	1,339,358	0.0	1,338,682	1,335,643	0.2
Commercial	122,691	123,769	(0.9)	123,300	123,816	(0.4)
Industrial	610	615	(0.8)	612	624	(1.9)
Others	3,315	3,349	(1.0)	3,342	3,360	(0.5)
Total	<u>1,466,457</u>	<u>1,467,091</u>	(0.0)	<u>1,465,936</u>	<u>1,463,443</u>	0.2
4. Average kWh per client:						
Residential	375	443	(15.3)	3,559	4,786	(25.6)
Commercial	4,654	5,498	(15.4)	52,130	64,908	(19.7)
Industrial	341,692	300,652	13.7	2,852,474	3,505,639	(18.6)
Others	6,137	9,753	(37.1)	108,882	112,890	(3.6)
Total	888	1,016	(12.6)	9,074	11,614	(21.9)

II. FINANCIAL HIGHLIGHTS

A. Revenue data

1. Sales of electric energy per government classes
(in thousands)

	JUNE					
	Month		Fiscal Year-to-Date		Increase (Decrease) %	
	2018	2017	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
kWh sales:						
Residential	12	12	0.0	111	136	(18.4)
Commercial	127,549	206,731	(38.3)	1,970,706	2,463,146	(20.0)
Industrial						
Others	22,235	29,557	(24.8)	342,421	351,824	(2.7)
Total	<u>149,796</u>	<u>236,300</u>	(36.6)	<u>2,313,238</u>	<u>2,815,106</u>	(17.8)
Basic revenues:						
Residential	1	1		6	7	(14.3)
Commercial	8,275	14,570	(43.2)	153,421	160,377	(4.3)
Industrial						
Others	4,779	5,079	(5.9)	60,780	60,206	1.0
Total	<u>13,055</u>	<u>19,650</u>	(33.6)	<u>214,207</u>	<u>220,590</u>	(2.9)
Provisional rate:						
Residential	-	0		1	2	(50.0)
Commercial	1,655	2,679	(38.2)	25,571	29,414	(13.1)
Industrial						
Others	289	384	(24.7)	4,450	4,155	7.1
Total	<u>1,944</u>	<u>3,063</u>	(36.5)	<u>30,022</u>	<u>33,571</u>	(10.6)
Fuel adjustment:						
Residential	1	1		11	12	(8.3)
Commercial	12,454	17,078	(27.1)	185,568	195,190	(4.9)
Industrial						
Others	2,273	2,562	(11.3)	34,112	29,464	15.8
Total	<u>14,728</u>	<u>19,641</u>	(25.0)	<u>219,691</u>	<u>224,666</u>	(2.2)
Purchased power:						
Residential	1	1	1	5	7	(20.3)
Commercial	5,842	10,784	(45.8)	90,729	113,831	
Industrial						
Others	1,065	1,612	(33.9)	16,575	17,188	(3.6)
Total	<u>6,908</u>	<u>12,397</u>	(44.3)	<u>107,309</u>	<u>131,026</u>	(18.1)
Total revenues:						
Residential	3	3	0.0	23	28	(17.9)
Commercial	28,226	45,111	(37.4)	455,289	498,812	(8.7)
Industrial						
Others	8,406	9,637	(12.8)	115,917	111,013	4.4
Total	<u>36,635</u>	<u>54,751</u>	(33.1)	<u>571,229</u>	<u>609,853</u>	(6.3)
2. Service Agreements:						
Residential	14	14	0.0	14	15	(6.7)
Commercial	20,784	21,386	(2.8)	19,215	23,438	(18.0)
Industrial						
Others	2,844	2,916	(2.5)	2,631	3,151	(16.5)
Total	<u>23,642</u>	<u>24,316</u>	(2.8)	<u>21,860</u>	<u>26,604</u>	(17.8)

Statistical and financial data from the Government sector is segregated from the original sales reports (CC&B) prepared by the Client Service Directorate.

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B. Result of operations-budget comparison
(in million dollars)

	JUNE 2018			Fiscal Year-to-Date		
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	Budget	Actual		Budget	Actual	
Basic charges	101.5	78.3	(22.9)	1,157.9	897.2	(22.5) ¹
Fuel adjustment	91.8	130.0	41.6 ²	1,106.5	1,334.9	20.6 ²
Purchased power	69.0	54.9	(20.4)	847.0	626.7	(26.0) ¹
CILT	0.0	0.0		0.0	0.0	
Subsidies	0.0	0.0		0.0	0.0	
Provisional rate	<u>22.1</u>	<u>16.3</u>	(26.2)	<u>246.3</u>	<u>162.3</u>	(34.1) ¹
Revenues from sales	284.4	279.5	(1.7)	3,357.7	3,021.1	(10.0)
Other	<u>2.6</u>	<u>1.2</u>		<u>24.4</u>	<u>(6.3)</u>	⁸
Total revenues	<u>287.0</u>	<u>280.7</u>	(2.2)	<u>3,382.1</u>	<u>3,014.8</u>	(10.9)
Fuel	91.7	131.6	43.5 ²	1,068.6	1,199.9	12.3
Purchased power	69.4	49.8	(28.2) ³	820.3	533.5	(35.0) ³
Other expenses	<u>62.8</u>	<u>13.5</u>	(78.5) ⁴	<u>748.7</u>	<u>620.5</u>	(17.1) ⁴
Total current expenses	223.9	194.9	(13.0)	2,637.6	2,353.9	(10.8)
1974 - sinking fund appropriations	0.0	63.5	⁷ ⁵	0.0	762.3	⁸ ⁵
Reserve Account						
Rate Stabilization Fund						
Interest on notes	11.0	7.9	(28.2) ⁶	126.4	56.4	(55.4) ⁶
Internal funds	30.0	1.5	(95.0) ⁷	360.2	12.8	(96.4) ⁷
Contribution to municipalities	6.3	(0.7)	⁹ ⁸	72.5	(315.6)	⁹ ⁸
Other appropriations	<u>15.8</u>	<u>13.6</u>	(13.9)	<u>185.4</u>	<u>145.1</u>	(21.7)
Total	<u>287.0</u>	<u>280.7</u>	(2.2)	<u>3,382.1</u>	<u>3,014.8</u>	(10.9)

EXPLANATION OF MAJOR VARIATIONS

¹ Decreases in revenues for fiscal year-to-date, was due to the disruption on energy production caused by Hurricanes Irma and Maria.

² Fuel adjustment expenses and revenues increased, as actual barrel price of \$69.40 is 20 percent above amount budgeted price of \$57.74.

³ Purchased power generation for the fiscal year is 10.8 percent below projected production.

⁴ Change due to reclassification of emergency expenses for year end accounting purposes.

⁵ The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.

⁶ Interest on notes budgeted was projected assuming a debt restructuring process.

⁷ Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.

⁸ Changes in contribution to municipalities due to the results of the revenue disposition process.

⁹ 100% or Over.

C. Result of operations-as compared to last year
(in million dollars)

	JUNE 2018			Fiscal Year-to-Date		
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2018	2017		2017-18	2016-17	
Basic charges	78.3	92.7	(15.5)	897.2	1,056.0	(15.0) ¹
Fuel adjustment	130.0	117.6	10.5 ²	1,334.9	1,368.8	(2.5) ²
Purchased power	54.9	71.2	(22.9)	626.7	810.2	(22.6) ¹
CILT	0.0	0.0		0.0	0.0	
Subsidies	0.0	0.0		0.0	0.0	
Provisional rate	<u>16.3</u>	<u>19.0</u>	(14.2)	<u>162.3</u>	<u>198.8</u>	(18.4) ¹
Revenues from sales	279.5	300.5	(7.0)	3,021.1	3,433.8	(12.0)
Other	<u>1.2</u>	<u>(3.0)</u>		<u>(6.3)</u>	<u>(30.7)</u>	(79.5)
Total revenues	<u>280.7</u>	<u>297.5</u>	(5.6)	<u>3,014.8</u>	<u>3,403.1</u>	(11.4)
Fuel	131.6	104.9	25.5 ²	1,199.9	1,213.9	(1.2)
Purchased power	49.8	66.1	(4.8) ³	533.5	727.4	(16.4) ³
Other expenses	<u>13.5</u>	<u>52.3</u>	(74.2) ⁴	<u>620.5</u>	<u>637.9</u>	(2.7) ⁴
Total current expenses	194.9	223.3	(12.7)	2,353.9	2,579.2	(8.7)
1974 - sinking fund appropriations	63.5	55.7	14.0 ⁵	762.3	652.9	16.8 ⁵
Reserve Account		0.0			0.0	
Rate Stabilization Fund		0.0			0.0	
Interest on notes	7.9	4.3	⁶	56.4	52.7	⁶
Internal funds	1.5	0.0	⁹ ⁷	12.8	1.3	⁷
Contribution to municipalities	(0.7)	3.2	⁹ ⁸	(315.6)	(20.3)	⁹ ⁸
Other appropriations	<u>13.6</u>	<u>11.0</u>	23.6	<u>145.0</u>	<u>137.3</u>	5.6
Total	<u>280.7</u>	<u>297.5</u>	(5.6)	<u>3,014.8</u>	<u>3,403.1</u>	(11.4)

EXPLANATION OF MAJOR VARIATIONS

¹ Decreases in revenues for fiscal year-to-date, was due to the disruption on energy production caused by Hurricanes Irma and María.² Fuel adjustment expenses and revenues increased, as actual barrel price of \$69.40 is 20 percent above amount budgeted price of \$57.74.³ Purchased power generation for the fiscal year is 10.8 percent below projected production.⁴ Change due to reclassification of emergency expenses for year end accounting purposes.⁵ The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.⁶ Interest on notes budgeted was projected assuming a debt restructuring process.⁷ Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the⁸ General Fund, to provide a reserve for current expenses.⁹ Changes in contribution to municipalities due to the results of the revenue disposition process.¹⁰ 100% or Over.

D. Notes Payable
(in thousand dollars)

JUNE		
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<u>Construction Financing</u>			<u>Operational Financing</u>	
	2018	2017	2018	2017
1. Rehabilitation Isabela Dam (GDB):			1. Municipalities Settlement Agreement :	
Line of credit	25,354	25,354	Line of credit	64,208
Amount received	713	713	Amount received	64,208
Available balance	<u>24,641</u>	<u>24,641</u>	Available balance	<u>0</u>
Debt outstanding balance	713	713	Debt outstanding balance	0
Maturity Date	June 30, 2018		Maturity Date	June 30, 2014
2. State Revolving Fund Program Aguirre & San Juan Plant (AFICA):			2. Fuel Financing (Scotiabank) :	
Line of credit	27,023	27,023	Line of credit	550,000
Amount received	5,750	4,939	Amount received	549,950
Available balance	<u>21,273</u>	<u>31,962</u>	Available balance	<u>50</u>
Debt outstanding balance	7,168	4,939	Debt outstanding balance	549,950
Maturity Date	June 30, 2033		Maturity Date	August 14, 2014
3. Fuel Financing (Citibank) :			3. Fuel Financing (Citibank) :	
Line of credit			Line of credit	150,000
Amount received			Amount received	146,042
Available amount			Available amount	<u>3,958</u>
Debt outstanding balance			Debt outstanding balance	146,042
Maturity Date			Maturity Date	January 10, 2014
4. Collateral SWAP - (GDB) :			4. Collateral SWAP - (GDB) :	
Line of credit			Line of credit	100,000
Amount received			Amount received	35,133
Available balance			Available balance	<u>64,867</u>
Debt outstanding balance			Debt outstanding balance	35,133
Maturity Date			Maturity Date	December 31, 2014

E. Necessary Maintenance Expenses¹
(in thousand dollars)

G. REA Projects

	<u>Month</u>	<u>Fiscal Year-to-Date</u>
Total investment	\$0	\$13,091
Families served	0	2

¹ Capital Improvement Program was suspended after filing of Title III of PROMESA. Only the necessary maintenance expenses will be presented.

² Monthly figures may vary significantly due to fluctuations in the availability of funds. For more accurate results, please refer to fiscal year-to-date figures.

³ Includes monthly overhead allocation.

PUERTO RICO ELECTRIC POWER AUTHORITY

STATISTICS OF ACCOUNTS RECEIVABLE FROM SALES OF ELECTRIC ENERGY¹
(in thousand dollars)

	JUNE		Increase (Decrease) %
	2018	2017	
General clients	1,101,040	871,212	26.4
Government (State and federal agencies and public corporations)	269,314 ²	215,795 ²	24.8
Total Accounts Receivable	1,370,354	1,087,007	26.1
Uncollectibles Reserve	(1,606,572)	(1,591,039)	1.0
Accounts Receivable after Reserve	(236,218) ³	(504,032) ³	(53.1)
Sales of electric energy (12 months)			
Revenues from sales	2,817,768	3,237,235	(13.0)
Indicators:			
A/R to Sales	-8.4%	-15.6%	(46.2)
Sales Days in A/R	(31)	(57)	(46.2)
Ratio of collections to sales:			
General clients:			
Sales	2,440,860	2,826,595	(13.6)
Collections	1,993,771 ⁴	2,745,580 ⁴	(27.4) ³
%Collection to Sales	81.7	97.1	(15.9)
Government:			
Sales net of municipalities, public lightning and exclusions	376,908	410,640	(8.2)
Collections	317,640 ⁴	465,400 ⁴	(31.7)
% Collection to Sales	84.3	113.3	(25.6)
Total:			
Sales net of municipalities, public lightning and exclusions	2,817,768	3,237,235	(13.0)
Collections	2,311,411 ⁴	3,210,980 ⁴	(28.0) ³
%Collection to Sales	82.0	99.2	(17.3)

¹ Source of Information: Customer Service Department

² Includes carried over effect from a \$891.0 allowance adjustment required for the FY 2016 audit.

² Government accounts receivable do not include municipalities accounts. Total government accounts are \$2,194,010,946.38 as of June 2017 and \$2,596,640,104 as of June 2018.

³ Includes carried over effect from a \$891.0 allowance adjustment required for the FY 2016 audit.

⁴ Decrease of collections from September 2017 to June 2018 due to disruptions caused by Hurricanes Irma and María. Total collections for months mentioned were \$1,735.9 million, compared to \$2,661.9 million from September 2016 to June 2017.

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

STATEMENT OF NET POSITION
ASSETS AND DEFERRED OUTFLOWS
(in thousands)June 30
2018June 30
2017

Current assets:

Cash and cash equivalents		
General fund	\$ 60,558	\$ 57,191
Reserve for current expenses	261,574	462,367
Revenue fund	13	13
Working funds	1,575	1,437
Total cash and cash equivalents	<u>323,720</u>	<u>521,008</u>
Accounts receivable (Exhibit A)	2,490,995	1,665,968
Fuel oil inventory	169,852	101,634
Materials and supplies inventory	143,108	140,240
Prepayments and other (Exhibit B)	383,025	16,279
Total current assets	<u>3,510,700</u>	<u>2,445,129</u>
Non current receivables (Exhibit A)	<u>931,909</u>	<u>931,909</u>
Restricted Assets		
Cash held by trustees	1,910	1,910
Investments held by trustees	(1,878)	(1,878)
Sinking funds - Interest		
Non current restricted deposits held by trustees	5,980	5,973
Total investment held by trustees	<u>4,102</u>	<u>4,095</u>
Construction fund and other		
Construction fund	57,056	23,088
Investment held by REA	1,124	1,111
Reserve maintenance fund	16,364	16,150
Other restricted fund	5,174	5,129
Total construction fund and other	<u>79,718</u>	<u>45,478</u>
Total restricted assets	<u>85,730</u>	<u>51,483</u>
Utility Plant		
Electric plant in service	13,034,655	12,995,949
Less: accumulated depreciation	<u>7,817,563</u>	<u>7,456,663</u>
Net electric plant in service	<u>5,217,092</u>	<u>5,539,286</u>
Construction work in progress, including preliminary surveys of 17,133 and 17,133	<u>796,384</u>	<u>709,969</u>
Total utility plant	<u>6,013,476</u>	<u>6,249,255</u>
Deferred debits:		
Unamortized debt expense	(6,627)	(2,548)
Other	<u>1,596,859</u>	<u>1,592,371</u>
Total deferred debits	<u>1,590,232</u>	<u>1,589,823</u>
Total assets	<u>12,132,047</u>	<u>11,267,599</u>
Deferred outflows of resources	<u>117,191</u>	<u>109,761</u>
Total Assets and Deferred Outflows	<u>\$ 12,249,238</u>	<u>\$ 11,377,360</u>

STATEMENT OF NET POSITION
LIABILITIES AND NET POSITION
(in thousands)June 30
2018June 30
2017

Liabilities and net position

Current Liabilities		
Notes payable to banks	\$ 739,006	\$ 737,587
Accounts payable and accrued liabilities (Exhibit C)	4,020,118	3,569,669
Customer deposits, including accrued interest	51,836	29,216
Total current liabilities	<u>4,810,960</u>	<u>4,336,472</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	493,292	478,433
Notes payable from restricted assets	300,000	-
Accrued interest payable on bonds and notes	694,364	220,222
Other current liabilities (Exhibit C)	44,448	37,639
Total current liabilities from restricted assets	<u>1,532,104</u>	<u>736,294</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (36,271) and (53,810)	7,937,346	7,947,456
Net pension liability	3,558,872	3,558,872
Non current portion, accounts payable and accrued sick leave	88,281	88,281
Accrued unfunded OPEB	119,658	119,658
Customer deposits - noncurrent	181,579	176,906
Total noncurrent liabilities	<u>11,885,736</u>	<u>11,891,173</u>
Total liabilities	<u>18,228,800</u>	<u>16,963,939</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	<u>57,703</u>	<u>57,703</u>
Total net position (Deficit)	<u>(6,037,265)</u>	<u>(5,644,282)</u>
Total Liabilities and Net Position	<u>\$ 12,249,238</u>	<u>\$ 11,377,360</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	2018	2017
Claims Outstanding Related to Property Damages	\$ 357,829	\$ 353
Prepayments and other	<u>25,196</u>	<u>15,926</u>
Total	<u><u>\$ 383,025</u></u>	<u><u>\$ 16,279</u></u>

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands)

	MONTH		
	Budget June 2018	Actual June 2018	Actual June 2017
Operating revenues:			
Sales of electric energy	\$ 284,482	\$ 279,596	\$ 300,531
Total operating revenues	<u>284,482</u>	<u>279,596</u>	<u>300,531</u>
Other income	<u>2,577</u>	<u>1,125</u>	<u>(3,120)</u>
Total revenues	<u>287,059</u>	<u>280,721</u>	<u>297,411</u>
Expenses:			
Fuel cost	91,721	131,583	104,915
Purchased power	69,383	49,822	66,069
Other production	4,805	2,848	3,908
Transmission and distribution	12,625	(10,381)	10,864
Maintenance	16,442	(10,083)	11,362
Customer accounting and collection	8,974	1,282	7,798
Administrative and general	<u>20,000</u>	<u>29,799</u>	<u>18,392</u>
Subtotal expenses by function	<u>223,950</u>	<u>194,870</u>	<u>223,308</u>
Depreciation	30,728	30,084	30,478
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	10,970	42,675	40,194
Contribution to municipalities	6,308	5,402	7,823
Other appropriations	15,764	13,581	10,974
Bond discount and defeasance amortization	<u>-</u>	<u>117</u>	<u>136</u>
Total expenses	<u>287,720</u>	<u>286,729</u>	<u>312,913</u>
Contributed capital	<u>708</u>	<u>111</u>	<u>77</u>
Changes in net position	<u>\$ 47</u>	<u>\$ (5,897)</u>	<u>\$ (15,425)</u>

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands)

	FISCAL YEAR		
	Budget June 2018	Actual June 2018	Actual June 2017
Operating revenues:			
Sales of electric energy	\$ 3,357,633	\$ 3,021,146	\$ 3,433,830
Total operating revenues	<u>3,357,633</u>	<u>3,021,146</u>	<u>3,433,830</u>
Other income	<u>25,034</u>	<u>(6,050)</u>	<u>(30,260)</u>
Total revenues	<u>3,382,667</u>	<u>3,015,096</u>	<u>3,403,570</u>
Expenses:			
Fuel cost	1,068,641	1,199,944	1,213,893
Purchased power	820,324	533,525	726,381
Other production	57,658	51,742	54,745
Transmission and distribution	151,495	132,243	143,575
Maintenance	197,310	160,915	152,447
Customer accounting and collection	107,690	92,097	93,241
Administrative and general	<u>234,501</u>	<u>183,475</u>	<u>165,934</u>
Subtotal expenses by function	<u>2,637,619</u>	<u>2,353,941</u>	<u>2,550,216</u>
Depreciation	368,736	363,477	367,822
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	126,351	474,142	483,386
Contribution to municipalities	72,474	71,230	74,037
Other appropriations	185,420	145,069	134,397
Bond discount and defeasance amortization	-	1,399	1,176
Total expenses	<u>3,390,600</u>	<u>3,409,258</u>	<u>3,611,034</u>
Contributed capital	<u>8,500</u>	<u>1,179</u>	<u>7,317</u>
Changes in net position	<u>\$ 567</u>	<u>\$ (392,983)</u>	<u>\$ (200,147)</u>

STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND
PURPOSES PER TRUST AGREEMENT
(in thousands)

	MIGNEAU		
	Budget June 2018	Actual June 2018	Actual June 2017
Revenues:			
Sales of electric energy (Exhibit D)	\$ 284,482	\$ 279,596	\$ 300,531
Total operating revenues	284,482	279,596	300,531
Other income	2,577	1,125	(3,120)
Total revenues	287,059	280,721	297,411
Less: 1974 construction fund investment income and gain on sale of properties	47	50	(51)
Revenues - net	287,012	280,671	297,462
Current expenses:			
Fuel cost	91,721	131,583	104,915
Purchased power	69,383	49,822	66,069
Other production	4,805	2,848	3,908
Transmission and distribution	12,625	(10,381)	10,864
Maintenance	16,442	(10,083)	11,362
Customer accounting and collection	8,974	1,282	7,798
Administrative and general	20,000	29,799	18,392
Total current expenses	223,950	194,870	223,308
Net revenues (as defined)	63,062	85,801	74,154
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	-	34,815	35,888
Bond redemption account (1)	-	28,711	19,780
Interest on notes	10,970	7,860	4,306
Capital Improvements fund	30,020	1,490	-
Total contractual obligations	40,990	72,876	59,974
Balance	22,072	12,925	14,180
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	6,308	(656)	3,206
Other	15,764	13,581	10,974
Total provision for contribution and other	22,072	12,925	14,180
Remainder	\$ -	\$ -	\$ -

Footnotes:

(1) The 1974 Sinking Fund appropriation have been accrued but not transferred.

(2) Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND
PURPOSES PER TRUST AGREEMENT
(in thousands)

	FISCAL YEAR TO DATE			TWELVE MONTHS ENDED		
	Budget June 2018	Actual June 2018	Actual June 2017	Budget June 2018	Actual May 2018	Actual May 2017
Revenues:						
Sales of electric energy (Exhibit D)	\$ 3,357,633	\$ 3,021,146	\$ 3,433,830			
Total operating revenues	3,357,633	3,021,146	3,433,830			
Other income	25,034	(6,050)	(30,260)			
Total revenues	3,382,667	3,015,096	3,403,570			
Less: 1974 construction fund investment income and gain on sale of properties	567	253	453			
Revenues - net	3,382,100	3,014,843	3,403,117			
Current expenses:						
Fuel cost	1,068,641	1,199,944	1,213,893			
Purchased power	820,324	533,525	726,381			
Other production	57,658	51,742	54,745			
Transmission and distribution	151,495	132,243	143,575			
Maintenance	197,310	160,915	152,447			
Customer accounting and collection	107,690	92,097	93,241			
Administrative and general	234,501	183,475	165,934			
Total current expenses	2,637,619	2,353,941	2,550,216			
Net revenues (as defined)	744,481	660,902	852,901			
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	-	417,782	430,652			
Bond redemption account (1)	-	344,535	222,274			
Interest on notes	126,351	56,360	52,733			
Capital Improvements fund	360,236	12,789	1,330			
Total contractual obligations	486,587	831,466	706,989			
Balance	257,894	(170,564)	145,912			
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	72,474	(315,633)	(20,370)			
Other	185,420	145,069	134,397			
Total provision for contribution and other	257,894	(170,564)	114,027			
Remainder	\$ -	\$ -	\$ 31,885			

Footnotes:

(1) The 1974 Sinking Fund Appropriation have been accrued but not transferred.

(2) Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

June
2018

June
2017

Net Position

Invested in utility plant, net related debt	\$ (2,493,426)	\$ (1,948,819)
Restricted for capital activity and debt service	(1,077,152)	(630,448)
Unrestricted	<u>(2,466,687)</u>	<u>(3,065,015)</u>
Total net position	<u>\$ (6,037,265)</u>	<u>\$ (5,644,282)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

June
2016June
2017

Electric and related services:

General clients	\$ 1,101,040	\$ 871,211
Recoveries under fuel adjustment and purchase power clause under or (over) billed	77,265	4,480
Unbilled services	298,170	159,299
Allowance for uncollectible accounts- General Client	<u>(688,627)</u>	<u>(673,094)</u>
Total General Clients	<u>787,848</u>	<u>361,896</u>
Government, including current and non current	3,528,545 ⁽¹⁾	3,125,921
Allowance for uncollectible accounts- Government	<u>(917,945)</u>	<u>(917,945)</u>
Total Government	2,610,600	2,207,976
Claims Receivable from Insurance Companies & Other	581	15,581
Advances to Irrigation Systems - net	11,771	6,823
Accrued interest	2,071	2,083
Other	<u>10,033</u>	<u>3,518</u>
Total Accounts Receivable	3,422,904	2,597,877
Less: Government Account Receivable, non current portion	<u>931,909</u>	<u>931,909</u>
Total Accounts Receivable, current portion	<u>\$ 2,490,995</u>	<u>\$ 1,665,968</u>

(1) Excludes CILT set aside during fiscal year 2017-2018 and 2016-2017.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

June
2018June
2017

Exhibit C

Accounts payable - fuel oil and other	\$ 668,238	\$ 560,296
Accrued annual leave	43,093	46,012
Accrued sick leave	20,507	23,581
Accrued salaries and fringe benefits	4,300	3,842
Accrued Contribution in Lieu of Taxes	3,210,953	2,882,099
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	22,900	17,175
Accrued Contributions Federal Social Security	2,541	2,363
Income tax withheld at source	1,149	1,126
Health plan	-	9,946
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	34,902	11,694
Sub total current liabilities	<u>4,020,118</u>	<u>3,569,669</u>
Other current payables from restricted assets		
Retention on Contract Work	2,831	1,360
Vouchered A/P construction	6,437	2,191
Contribution aid to construction	<u>35,180</u>	<u>34,088</u>
Total other current payables from restricted assets	<u>44,448</u>	<u>37,639</u>
Total current Liabilities	<u>4,064,566</u>	<u>3,607,308</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	3,558,872	3,558,872
Accrued sick leave	88,281	88,281
Accrued Unfunded OPEB	<u>119,658</u>	<u>119,658</u>
Total non current liabilities	<u>3,766,811</u>	<u>3,766,811</u>
Total accounts payables and non current liabilities	<u>\$ 7,831,377</u>	<u>\$ 7,374,119</u>

(1) Excludes CILT set aside during fiscal year 2017-2018 and 2016-2017.

SALES OF ELECTRIC ENERGY

JUNE 2018

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			Total
	Billed	Total	Billed	Unbilled	Adjustment*	
Residential	1,339,841	1,339,841	482,618	243,217	(223,128)	502,707
Commercial	122,691	122,691	575,864	308,627	(313,466)	571,025
Industrial	610	610	196,988	97,046	(85,602)	208,432
Public lighting	2,135	2,135	19,230	4,645	(8,705)	15,170
Other public authorities	2	2	3,108	1,072	(986)	3,194
Agricultural	1,178	1,178	1,884	701	(605)	1,980
Subtotal	1,466,457	1,466,457	1,279,692	655,308	(632,492)	1,302,508
Fuel oil adjustment						
Purchased power						
Subtotal	1,466,457	1,466,457	1,279,692	655,308	(632,492)	1,302,508
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,466,457	1,466,457	1,279,692	655,308	(632,492)	1,302,508
FISCAL YEAR-TO-DATE						
Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs per Client	Cents per Kwhr. Sold	
Residential	1,338,682	4,764,415	317,537	3,559	6.67	
Commercial	123,300	6,427,569	561,025	52,130	8.73	
Industrial	612	1,745,714	113,511	2,852,473	6.30	
Public lighting	2,150	313,447	64,123	145,789	20.46	
Other public authorities	2	35,230	2,036	17,615,000	5.78	
Agricultural	1,190	15,208	1,319	12,780	8.67	
Subtotal	1,465,936	13,301,613	1,059,551	9,074	7.97	
Fuel oil adjustment			1,317,246		10.03	
Purchased Power			633,905		4.71	
Subtotal	1,465,936	13,301,613	3,010,702	9,074	22.63	
Unrecovered fuel oil cost-net			17,690			
Unrecovered purchased Power cost-net			(7,246)			
Total	1,465,936	13,301,613	3,021,146	9,074	22.71	

SALES OF ELECTRIC ENERGY

JUNE 2018

Exhibit D

Class of Service	REVENUES (in thousands \$)			Total	KwHs. per Client	Cents per KwHr. Sold
	Billed	Unbilled	Adjustment*			
Residential	32,043	9,966	(9,038)	32,971	375	6.56
Commercial	45,280	22,145	(23,399)	44,026	4,654	7.71
Industrial	12,476	4,592	(4,053)	13,015	341,692	6.25
Public lighting	4,913	785	(1,395)	4,303	7,105	28.37
Other public authorities	175	47	(44)	178	1,597,000	5.57
Agricultural	176	38	(33)	181	1,681	9.14
Subtotal	95,063	37,573	(37,962)	94,674	883	7.26
Fuel oil adjustment	125,441	56,134	(51,836)	126,739		9.98
Purchased power	58,943	29,224	(28,256)	59,910		4.21
Subtotal	279,447	122,931	(121,054)	281,323	888	21.46
Unrecovered fuel oil cost-net				3,299		
Unrecovered purchased power cost-net				(5,026)		
Total	<u>279,447</u>	<u>122,931</u>	<u>0</u>	<u>(121,054)</u>	<u>888</u>	<u>21.46</u>